GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:114
ANSWERED ON:20.02.2001
SUBSIDY ON CHEMICAL FERTILIZER UREA D.A.P
MAHESHWAR SINGH

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the details of subsidy and other facilities being provided on chemical fertilizer urea to make it available to the farmers at cheap rate;

(b) whether it is also a fact that like urea, subsidy and other facilities are also being provided on chemical fertilizer D.A.P. so as to make it available to the farmers at cheap rate too;

(c) if so, the details in this regard;

(d) whether there is any discrepancy in providing subsidy to both; and

(e) if so, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE)

(a): Urea is sold at a statutorily notified sale price to farmers of the country, which is far less than the cost of production. Difference between the retention price (cost of production plus 12% post tax return on net worth) and the sale price is borne by the Union Government as subsidy. Since the sale price of both indigenous and imported urea is fixed uniformly, subsidy is also paid on imported fertilizers. On an average, at present, amount of subsidy on urea borne by Union Government is more than Rs. 4000/ per ton.

(b) & (c): Under the Concession Scheme of decontrolled P&K fertilizers, whichincludes DAP, subsidies are provided by the Government of India to the manufacturers and importers to make such fertilizers available to farmers at the retail prices fixed for the purpose. The estimated subsidy under the Concession Scheme on DAP for 2000-2001 isRs.1360 crore. The final rates of concession of DAP during the 2000-2001 are given in table below:

Amount in Rs. per MT

On-Account	On-Account rate	Final Rates of Concession		
	First Quarter 1.4.2000 to 30.6.2000	Second Quarter 1.7.2000 to 30.9.2000	Third Quarter 1.10.2000 to 31.12.2000	
Indigenous				
DAP	2850	4450	3700	3900
Imported DAP	950	1050	1350	1550

(d) : No, Sir.

(e) : Does not arise.